

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Modernizing the E-rate)	WC Docket No. 13-184
Program for Schools and Libraries)	

INITIAL COMMENTS OF THE STATE OF ARKANSAS

IN RESPONSE TO DA-308

WIRELINE COMPETITION BUREAU PUBLIC NOTICE OF MARCH 6, 2014

SEEKING FOCUSED COMMENT ON E-RATE MODERNIZATION

On behalf of the State of Arkansas:

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INTRODUCTION

Pursuant to Section 1.51 (c) of the Commission's rules, the state of Arkansas hereby submits these comments in response to the Commission's Public Notice released on March 6, 2014.

Arkansas leadership is keenly aware of the importance of high speed broadband connectivity to all schools and libraries. Governor Mike Beebe convened two committees to address this need. The Governor's task force, Fast Access for Students, Teachers & Economic Results (FASTER Arkansas) and its sister committee, the Quality Digital Learning Study (QDLS), are working to determine just how much broadband Internet is needed by schools overall and what will be necessary to participate in Common Core testing. Both groups reported to the Governor in December on potential solutions.¹

During the 2014 fiscal session the Arkansas General Assembly approved a \$5 million broadband matching-grant program to help districts improve Internet connectivity. One goal of the program is to pay for one-time installations of fiber optic cables to connect the various buildings of school campuses, for example, to connect the district's main office to bus garages, school buildings, classrooms and administrative offices of schools throughout the district.²

¹ QDLS minutes 12/03/2013

http://www.arkansased.org/public/userfiles/Legislative_Services/Quality%20Digital%20Learning%20Study/Agendas%20and%20Minutes/QDLS_Minutes_120313.pdf

² http://www.arkansas.gov/senate/newsroom/index.php?do:newsDetail=1&news_id=457

COMMENT SUMMARY

In this Public Notice (PN), the Commission has requested focused comments on three issues raised in the E-rate Modernization NPRM. Arkansas appreciates the opportunity to comment in response to posted statements of many stakeholders on these important issues and strives to provide the perspective of the individual schools, districts, Educational Service Cooperatives and libraries as well as the state organizations that work with and represent Arkansas schools and public libraries.

Arkansas fully supports the Commission's three proposed three for the program: (1) ensuring that schools and libraries have affordable access to 21st Century broadband that supports digital learning; (2) maximizing the cost-effectiveness of E-rate funds; and (3) streamlining the administration of the program.

In our comments, we support a revised Eligible Services List which focuses funding on equipment and software required for the efficient transmission of broadband to and within the school or library building. The category must also include equipment necessary to fully support VoIP and an IP based network. Software and services to fully utilize Priority I services and compliance with FCC rules should be eligible under this priority.

Arkansas' K-12 community and public libraries will face financial hardships with the elimination

of legacy voice services. If the Commission decides to eliminate legacy voice services it must be done in a manner to ease this hardship. The elimination of legacy services must be phased out in a manner that provides sufficient time for budget adjustments, as well.

Arkansas also believes that applicants must have the option to purchase, as well as to lease, connectivity, including a Wide Area Network (WAN) where feasible. We believe that dark and lit fiber should be treated the same. We agree with allowing amortization of capital costs but point out the decision must be made by the applicant.

Arkansas supports collection of data through a revised FCC Form 471 that incorporates the Item 21 Attachment as part of the application. We do not support a requirement that would force applicants to enter more granular data into an application or other database. This additional burden is counterproductive to the goal of streamlining the application process.

Arkansas reiterates its stance that the E-rate process be simplified. To accomplish this goal Arkansas recommends:

- Creation of an all-inclusive site to house rules, policies and procedures that is searchable and easy to navigate
- Elimination of the FCC Form 486 and the associated FCC Form 479
- Electronic submission of applicant data that is mapped to the SLD's data
- Set a permanent filing window

- Incorporate the Item 21 Attachment into the FCC Form 471 as Block 5b and allow applicants to upload information
- Routine applications that do not change from year to year should be reviewed only when there is a fluctuation in cost or E-rate discount
- Remove cost allocation
- Simplify the Eligible Services List
- Arkansas strongly supports multi-year contracts and multi-year applications.

Arkansas supports the use of demonstrative projects for emerging technology and the gathering of technical data in order to determine the current state of schools and libraries broadband and internal infrastructure. Arkansas does not support the use of existing E-rate dollars to fund demonstrative projects.

FOCUSED FUNDING FOR HIGH-CAPACITY BROADBAND (¶ 6-8)

A. *Broadband Deployment within Schools and Libraries (¶ 8)*

Arkansas recommends the Commission prioritize the use of the \$2 billion to fund entities that have not received funding for broadband construction/installation or funding for equipment in the last 5 years.

1. Scope of Services to Be Funded (§ 11-12)

Arkansas recommends the eligibility of equipment that effectively extends broadband into the classroom and provides the ability to comply with federal regulations such as the Children's Internet Protection Act (CIPA). With the migration of the Public Switched Telephone Network (PSTN) and the eventual elimination of legacy voice systems; we further recommend the inclusion of the equipment necessary to utilize and manage VoIP. Such equipment must include but is not limited to the following,

- Network aggregator
- Downstream Switches
- Fiber and/or Category 6 cable and the equipment needed to terminate
- Router
- Wireless Access Points and controllers
- Network Management
- Content filter
- Firewall Software required by above equipment
- New and modified infrastructure eligible
- Equipment & supporting software for IP & Wi-Fi networks
- Equipment necessary for the deployment of broadband

2. *Access to Funding*

a. Five-Year Upgrade Cycle (¶ 10-15)

b. Rotating Eligibility (¶ 16-17)

Arkansas supports the adoption of the one-in-five rule, which allows applicants to receive funding once every five years, provided that there will be funding for all applicants during the five year period. Funding should be based equitably with the highest discount applicants being funded first and then moving to the next level. As we state below, funding should not be on a per-building or per-capita basis because that ignores the vast differences and unique needs of each entity. Arkansas also supports the rotational eligibility method of funding, again, provided that there will be funding for all applicants within the five years. Each applicant should have the flexibility to spend the funds as it decides across its district or library system.

We recognize that rotational funding could be very complex and complicated; however, it appears to be a workable solution for ensuring funding to all applicants on an equitable basis.

We believe that if rotational eligibility is adopted the applicants informed with enough advanced notice of the discount band eligible for funding in the next program year in order to modify their budget and begin the competitive bidding process. This notification should be provided by June 1st of each year. By that time the FCC will have received USAC's funding demand estimate and be able to make a clear decision.

c. Annual Allocation for Internal Connections (¶ 26)

Arkansas does not support the annual per capita funding methodology. Basing funding on a per-building or per-student basis does not fully address the needs of all schools and libraries and is not consistent with the original intent of the program to ensure equitable distribution of funds. One size does not fit all. This method would not be equitable and would cause small, rural and remote schools with a low average daily membership and in most need of the funding and puts them at an even greater risk or harm to the education of student and the lose much needed funding. Each applicant should have the flexibility to spend the funds as it decides across its district or library system.

We agree with the current method of distribution that funds the highest discount applicants first and proceeds incrementally through the discount bands until the available funds are exhausted. The Commission should adopt a similar mechanism for distributing funding for deployment of high-capacity broadband to eligible schools and libraries, provided that there is funding for all applicants within a five year period. This process should include the data on growth and bandwidth which USAC should have developed based on the examination of the data captured from the application Items 21 & 24.

B. Encouraging Cost-Effective Purchasing (§ 29-30)

Arkansas believes that bulk purchasing through a state network provides more potential for services providers thus obtaining better pricing. While many procurement methods are available to applicants, each method must be based on price, although applicants always have

the flexibility to get the best service/price. For example, complex projects that encompass the entire state or large regions of the state may be best served by starting the process with Requests for Qualifications (RFQ) to qualify the potential bidders. Once the RFQ responses are reviewed, a Request for Proposal is sent to the qualifying providers. The bid award is then determined by the qualified provider with the lowest price. This is the procurement approach in Arkansas.

Arkansas strongly encourages the use of multi-year contracts and multi-year contracts with voluntary extensions. It is well known that the E-rate application process is based on individual schools, libraries or districts and library systems. The application process was not designed with state applicants and large consortium applicants in mind. Not all processes that work for schools and libraries work for state and regional networks. A case in point is the procurement process related to multi-year contracts. Due to the complexity of the procurement process, procurements on a statewide or regional basis may not always follow the E-rate funding year of July 1 through June 30. It is highly likely probable that contract extensions will occur throughout the funding year.

Arkansas concurs with the National Association of State Chief Information Officers' (NASCIO) comments on the prioritization of state consortia buyers.³ We strongly believe the review of state and regional networks should be prioritized. The review process for state and large consortia applications is a disincentive to the Commission's goal in relation to consortium

³ NASCIO comments at ¶4 and ¶5 <http://apps.fcc.gov/ecfs/document/view?id=7521096563>

networks. It is difficult for applicants to go eighteen to twenty-four months without a funding commitment when, if they apply as an individual entity, funding commitments are received within four to six months. Arkansas public libraries left the state network because it was difficult to pay for services in full and wait two years for reimbursements. It has been more cost effective for libraries to procure services on their own and see the discount or reimbursement within the funding year.

The review process can be expedited through changes to the information requests of Program Integrity Assurance (PIA). PIA should refer to previous years' review responses before requesting additional information and not repeat the same questions each year. While we believe the cost allocation of Pre-kindergarten for shared services and equipment should be eliminated (see comment below); we believe that if a state does not recognize Pre-kindergarten as a school, the only PIA requests should be whether the consortium applicant performed the necessary cost allocation. The yearly request to identify whether the Pre-kindergarten classroom is a stand-alone or component school does not change the eligibility in states that do not recognize Pre-kindergarten as a school.

Arkansas recommends that savings alone should dictate the formation of a consortium. We do not support the proposed incentive for the formation of a consortium. The cost savings from bulk procurement should be enough of a savings to justify the establishment of a consortium.

Technology planning (§ 31)

Strategic planning is important to all entities whether a small business, a large corporation,

government or schools and libraries. Strategic planning should include all aspects of the organization. There should not be silos within an organization; one section cannot operate without the other. In the case of schools and libraries, digital access and instruction are the responsibility of, among others, the librarian, teacher and technology staff. Without knowing and understanding the needs of each section, no section can perform to its fullest potential. Whether the technology plan is included in a district wide plan, as a stand-alone plan or required at all should be the decision of the individual state. After review of the many comments for and against the requirement of tech plans, Arkansas supports the position that tech plans should be required to meet state and local regulations and should not have to meet USAC guidelines.

Data collection and transparency (§ 32)

Arkansas support transparency in the E-rate program. The transparency should include open and free availability of all Item 21s including pricing. This could aid in more competitive services and pricing being available to applicants.

STREAMLINING THE ADMINISTRATIVE PROCESS (§ 33-34)

Arkansas recommends the elimination of cost allocation for services and equipment shared by the district. Pre-kindergarten students are eligible for funding if the law in that state includes Pre-kindergarten within its definition of elementary education. When state law does not include Pre-kindergarten in the definition of elementary education the students and facilities are deemed as ineligible and cannot receive E-rate funds. This ineligibility requires the applicant to remove any usage by this ineligible entity. Removing the minuscule costs

attributed to Pre-kindergarten from shared broadband services and eligible equipment adds to the complexity of the E-rate application process. Under this recommendation non-shared services will remain ineligible. This recommendation reduces the administrative burden on both the applicant and the administration during application preparation and review.

Arkansas also recommends the review of all cost allocation of services and equipment for the reasons stated above. If the eligible services and equipment list is narrowed to focus on broadband services and equipment we believe there is no longer a need for cost allocation.

Allowing applicants to begin broadband and internal infrastructure projects six (6) months before the beginning of the funding year provides additional time to ensure services are available at the beginning of the school year. While this is supported, in most instances the applicant will not begin a complex expensive project until receipt of a funding commitment. This delay in the project start date increases the probability that the project will not be completed within the current eighteen (18) month timeframe. Therefore the completion of a project should be extended from the current eighteen (18) months to twenty-four (24) months. Applicants must still have the opportunity to request an extension of the project and invoicing timeframe.

When a project for internal infrastructure is not funded in a timely manner the equipment becomes obsolete before the project begins. There is a process for substituting services. That process should be reviewed to determine if there is any additional efficiency that would speed

service substitution approval which affects the project completion date.

REDUCED SUPPORT FOR VOICE SERVICES (§ 41 & 43)

Reduced E-rate Support for Voice Services (§ 41)

Arkansas does not believe legacy voice services should be eliminated from eligibility because so many in our K-12 community and public libraries will face financial hardships with the elimination of legacy voice services. If support for legacy voice services is destined for elimination, Arkansas believes that it is unnecessarily burdensome to phase out support for voice services by 15 percentage points per year over a period of several years. This method is counterproductive to the Commissions goal to simplify the application process. We believe legacy voice services and equipment should be eliminated on a date certain allowing applicants time to adjust to the new budgetary requirements. We recommend that any phase out be completed by funding year 2016/2017.

C. Alternatives (§ 43)

With the removal of legacy systems the ability to communicate via other digital technology such as VoIP is integrated with Internet access. The transition to VoIP can be expensive. VoIP requires an internal infrastructure and a managed gateway that provides the same quality of service as the traditional TDM network that people expect. There are several challenges to migrating to VoIP. Districts and libraries may lack the building infra-structure capable of

providing adequate connectivity for VoIP and the IP network. The equipment and installation costs of the migration are expensive and the cost burden of migrating to VoIP will cause fiscal hardship for applicants. Therefore, Priority 2 funding must include the equipment and software for VoIP equipment. The district and library technology staff may not have the knowledge level required to move to VoIP. Prior to installation of VoIP the internal infrastructure must be reviewed and upgraded when necessary. The migration from legacy telephone service to VoIP must begin with an evaluation of the LAN to ensure it will be able to support VoIP and an IP based network.

Rural schools and libraries lack access to the broadband to support VoIP. Special consideration must be made for the schools and libraries that are in the serving area where vendors are not ready to transition from the traditional TDM network. If libraries had access to the connectivity to support VoIP and streaming, more libraries would apply for E-rate funding.

D. Easing Administrative Burdens (§ 54)

Arkansas reiterates its stance that the E-rate process be simplified. To accomplish this goal Arkansas recommends:

- Creation of an all-inclusive site to house rules, policies and procedures that is searchable and easy to navigate
- Elimination of the FCC Form 486 and the associated FCC Form 479

- Electronic submission of applicant data that is mapped to the SLD's data
- Set a permanent filing window
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- Remove cost allocation
- Simplify the Eligible Services List
- Arkansas strongly supports multi-year contracts and multi-year applications.

DEMONSTRATION PROJECTS (§ 51)

Arkansas recognizes that there may be value in demonstrative projects. If proven effective, they can be broadened to all applicants and provide efficiencies and other benefits to the program.

However, we do not support such projects if they are funded from current program assets which are inadequate and would serve only to siphon funds from other parts of the program.

In any event, should the Commission elect to proceed with demonstrative projects; we propose a project to collect data on the current broadband and the internal infrastructure of schools and libraries. Technical data can be gathered via a survey along with on-site visits. The results of the survey and site visits would show what is installed today and what is necessary for digital

learning. Using the school technology coordinators, Educational Service Cooperatives, and technical staff at the state level to review the data and provide a blueprint for what is needed (along with cost); we can obtain consistent access to broadband for all students and library patrons at the best price. This data will need to be continually updated to determine progress toward the FCC's goals.

CONCLUSION

Arkansas hereby submits these comments in response to the Commission's Public Notice released on March 6, 2014. If you have any questions concerning this information, please contact Becky Rains. She can be reached either by phone at 501-682-4003 or via email, Becky.Rains@Arkansas.gov

Sincerely:

A handwritten signature in purple ink that reads "Becky Rains, PMP".

Becky Rains, PMP, CPM

Arkansas State E-rate Coordinator

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